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## STATEMENT ON REFUNDABLE TAXES: CTC AND EITC

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**NETWORK, A National Catholic Social Justice Lobby** urges Congress to continue strong support for the Child Tax Credit and the Earned Income Tax Credit. As refundable credits, these have provided major support for families to move out of poverty through working in low-wage positions. There has been considerable research giving evidence to the good that has come from these. Benefits experienced in families receiving these credits, over those that do not, include (but are not limited to):

- Children are more likely to have sufficient nutrition
- Children remain healthier, allowing them to engage more in school and become more proficient students
- Children are more likely to go to college and to earn higher wages when reaching adulthood
- Single parents hold down jobs more than with TANF work requirements
- There is less drug use, and less family abuse
- There is less reliance on other government support programs.

NETWORK urges you to:

- Make permanent the Child Tax Credit (CTC) and the Earned Income Tax Credit (EITC), including the improvements made in the ARRA (currently these are only for five years)
- Continue each as a separate program, and not allow them to be block-granted
- Improve the program for non-custodial parents – often these have equal responsibility, and frequently lack funding to fulfill their duties to the children
- Increase outreach to ensure that eligible families are aware of, and able to apply for these credits

It is important to keep families in the workforce, whenever possible. Working parents are role-models for children, feel better about themselves and are will provide a more stable environment for children.

“Policy Basics: The Earned Income Tax Credit,” Center on Budget and Policy Priorities, updated February 1, 2013, <http://www.cbpp.org/cms/index.cfm?fa=view&id=2505>.

Bruce D. Meyer and Dan T. Rosenbaum, “Making Single Mothers Work: Recent Tax and Welfare Policy and its Effects,” in Bruce D. Meyer and Douglas Holtz-Eakin, eds., *Making Work Pay: The Earned Income Tax Credit and Its Impact on America’s Families* (New York: Russell Sage Foundation, 2001) and Bruce D. Meyer and Dan T. Rosenbaum, “Welfare, The Earned Income Tax Credit, and the Labor Supply of Single Mothers,” *Quarterly Journal of Economics* 116(3): 1063-2014.

Bruce Meyer, “The Effects of the Earned Income Tax Credit and Recent Reforms,” in Jeffrey R. Brown, ed., *NBER Book Series Tax Policy and the Economy* (National Bureau of Economic Research, 2010)